

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY BONN

AMEMBASSY MOSCOW

INFO USMISSION OECD PARIS

C O N F I D E N T I A L STATE 195172

E.O. 11652: GDS

TAGS: TECH, ENRG, UR

SUBJECT: SALE OF NUCLEAR POWER PLANT TO USSR

1. DEPT. (SCI) HAS BEEN VISITED ON SEVERAL OCCASIONS BY
REPS OF BABCOCK AND WILCOX, WHO COMMUNICATED FOL INFO:

A. B&W SUBSIDIARY IN FRG, BABCOCK-BROWN BOVERI REAKTOR
GMBH (BBR), IN TURN A CONSORTIUM PARTNER WITH BROWN
BOVERIE & CIE, AG (BBC) OF MANNHEIM, HAS SUBMITTED PRELIMI-
NARY PROPOSAL TO ATOMENERGOEXPORT (AEE), USSR PROCUREMENT
AGENCY, FOR SALE OF 1300 MWE NUCLEAR POWER PLANT TO USSR.

B. PLANT IN QUESTION WOULD SUPPLY POWER TO FRG WITH HIGH
VOLTAGE TRANSMISSION LINES RUNNING THROUGH WEST BERLIN.

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IT IS PROBABLY ONE OF THE FOUR NUCLEAR POWER PLANTS BEING

CONSIDERED FOR SALE BY FRG TO USSR (CONCERNING WHICH EMBASSY BONN HAD REPORTED ON FULLY IN PAST).

C. BBR/BBC'S NON-BINDING PROPOSAL TO AEE HAS QUALIFYING CONDITION THAT USG APPROVAL WOULD BE REQUIRED BEFORE ACCEPTANCE OF AN ORDER FROM USSR COULD BE CONSIDERED. AEE HAS REQUESTED THAT THIS CONDITION BE REMOVED, BEFORE IT SPENDS APPROXIMATELY 2-1/2 MONTHS IN REVIEW OF PROPOSAL, AND THEN SPENDS ADDITIONAL TIME IN ,TECHNICAL DISCUSSIONS."

D. B&W BELIEVES THAT AEE MAY BE TRYING EITHER TO ACCELERATE USG APPROVAL BY ITS ACTION OR THAT THE SOLICITATION OF PROPOSALS AND HOLDING OF TECHNICAL DISCUSSIONS IS MERELY PLOY TO TRY AND SQUEEZE AS MUCH INFO ON U.S. NUCLEAR POWER PLANT TECHNOLOGY OUT OF WESTERN COUNTRIES AS IT CAN WITHOUT PAYING FOR IT.

2. IN MORE RECENT PRIVATE WASHINGTON DISCUSSION WITH SCHMIDT-KUESTER, FRG MINISTRY OF RESEARCH AND TECHNOLOGY, WE LEARNED THAT FRG IS NOW CONSIDERING SELLING ONLY ONE PLANT TO USSR. OTHER CONSIDERATIONS CONCERNING FRG BIAS TOWARD GIVING BUSINESS TO SIEMENS-KWU RATHER THAN BBR/BBC WOULD INDICATE THAT IF SCHMIDT-KUESTER'S STATEMENT IS CORRECT, BBR/BBC PROBABLY DOES NOT HAVE MUCH CHANCE TO SELL PLANT TO USSR.

3. WEEKLY ENERGY REPORT, A WASHINGTON NEWSLETTER, CARRIES ARTICLE IN ITS SEPT. 2 ISSUE TO EFFECT THAT FRG UTILITY, PREUSSEN ELEKTRA, IS AT POINT OF SIGNING CONTRACT WITH USSR TO BUILD NUCLEAR POWER PLANT AT KALININGRAD. POWER FROM 1250 MWE PLANT WOULD BE BROUGHT BY 380 KV TRANSMISSION LINE ACROSS POLAND AND GDR, THROUGH WEST BERLIN AND HELMSTEDT, JOINING FRG GRID AT STATION TO BE BUILT BY PREUSSEN ELEKTRA AT SIERSE, NEAR BRAUNSCHWEIG. ARTICLE MAKES NO MENTION OF REACTOR VENDOR.

4. AEC AND DEPT. ARE NOW CONDUCTING GENERAL POLICY STUDY ON EXPORT OF NUCLEAR TECHNOLOGY TO USSR. B&W HAS BEEN TOLD THAT RESULTS OF STUDY WILL BE NEEDED BEFORE ANY INDICATION CAN BE GIVEN TO B&W ON PROSPECT OF USG
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APPROVING SALE OF PLANT TO USSR.

5. ANY LATE INFO AVAILABLE TO ADDRESSEE POSTS ON THIS MATTER WOULD BE APPRECIATED, AS WELL AS VIEWS OR RECOMMENDATIONS. FOR MOSCOW: DOES AEE'S STIPULATION ON PRIOR USG APPROVAL APPEAR TO BE CONVENTIONAL? DO YOU HAVE COMMENTS ON B&W'S CONCERNS ABOUT AEE INTENTIONS? KISSINGER

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